# Count me out: The challenges of environmental, social and governance risks in making investment decisions

# Count me out: The challenges of environmental, social and governance risks in making investment decisions[1]

**KENNETH AMAESHI** and **DAVID GRAYSON**
*Doughty Centre for Corporate Responsibility*
*Cranfield School of Management*
*Cranfield University, United Kingdom*

## ABSTRACT

This paper presents an overview of the preliminary findings of an ongoing research on the challenges of integrating environmental, social and governance (ESG) risks in making investment decisions. The research project is based on a meta-analysis of over 80 practitioners' reports on ESG risks since the turn of this century. The reports were qualitatively analysed using Nvivo software. Preliminary results suggest 12 factors, often mentioned in practitioners' reports, as the main challenges to making ESG risks integral to investment decisions. Quality of data, trust and difficulties in ascertaining the materiality of ESG risks were top on this list of challenges. Whilst the study is still in progress, it is expected that these preliminary findings will contribute to the ongoing efforts to recognise and incorporate ESG risks in investment decisions.

**Keywords:** ESG risks; Investment decisions; Meta-analysis of practitioners' reports

## INTRODUCTION

There is a growing concern that investment decisions, and the financial market broadly, do not appropriately reflect all the ingredients that go into creating high performing organizations. In other words, business valuations often rely on incomplete information – especially with regards to information on intangibles – e.g. brand equity and risks. This concern has been understood by some market participants – including regulators, business associations, analysts and investors – who think that investment decisions and business valuations could be enhanced if they properly reflected environmental, social and governance (ESG) risks that often tag along with them. This concern has gathered significant momentum at the turn of the 21st Century with its associated environmental, social and governance challenges. However, whilst some market actors see the need to incorporate ESG into investment decisions as opportunities for new market/product creations – e.g. the SRI market – others, mainly the mainstream, are yet to fully come to terms with it. It is suspected that a major challenge in the process, is how recognition of ESG issues in investment decisions are internalised by the financial market and or lead to long-run organisational sustainability and performance. It is equally suspected that both investors and companies are still grappling with the 'how' of this sustainable finance discourse and the practical implications for conventional investment and broader business decisions.

[1] A paper presented at the European Academy of Business in Society (EABIS) and the European CSR Alliance workshop on: *Corporate Responsibility and Market Valuation of Financial and Non-Financial Performance*, September 10th, 2008, at Cranfield University, United Kingdom.

Notwithstanding many discussions on this topic, relatively little is yet known about how firms are coping with the demands of this new business paradigm in practice. As such, this study asks the following pressing questions: (1) What impacts does the emergent recognition of ESG risks have on contemporary mainstream investment decisions? (2) How are investment decisions recognising ESG risks enacted in practice? (3) What are the enablers and barriers of diffusing the integration of ESG risks in investment decisions across different business jurisdictions and financial markets?

It is worthwhile to point out that this study is part of a broader research agenda on Valuing Business – a research project coordinated by The Doughty Centre for Corporate Responsibility at Cranfield University, United Kingdom, on behalf of the European Academy of Business in Society (EABIS) and the European CSR Alliance. The Valuing Business project focuses mainly on non-financial – or extra-financial – performance measures that influence investment decisions. A key concern of this research project, therefore, is to understand if the link between environmental, social and governance issues and long-term business performance is understood and used. For details, please visit:
http://www.som.cranfield.ac.uk/som/research/centres/ccr/downloads/brief.doc

Given the concerns and challenges outlined above, this study sets out to map and understand what practitioners in this economic space thought were the major obstacles to mainstreaming the practice of integrating ESG risks in investment decisions. The study pays specific attention to the research question: What are the enablers and barriers of diffusing the integration of ESG risks in investment decisions across different business jurisdictions and financial markets? The analysis suggests at least 12 significant obstacles, which need to be addressed if ESG performance is to become more integral to businesses and to the investment community.

## METHODOLOGY

The study searched for practitioners' reports in this field since 2000 – given that much of the momentum in this field has been, mainly, since the turn of the Century - and identified 82 reports from accounting firms, investor associations, business coalitions, investment banks, multinational institutions, consultancies and think tanks, governments and multi stakeholder fora. These 82 reports were sent to 25 practitioner experts in the field to advise on the relevance and impacts of these reports. The experts were also asked to identify other reports the study might have missed out in the process. The intention here was to meta-analyse these reports with the aim of figuring out the major issues involved in integration of ESG risks in investment decisions. The outcome of the meta-analysis would in turn be presented to practitioners in form of Delphi approach for further insights and analysis.

18 responses were received, out of the targeted 25 practitioner respondents. A good number of the reports presented to them were considered relevant and impactful. They also suggested extra 13 reports, which were added to the mix. In total, they constituted well above 4,000 pages. The list of some of the reports is contained in annexe 1.

These reports were then qualitatively analysed by Nvivo. Presented below are some of the preliminary findings from this analysis – which are still very much early in the process, emergent, and ongoing.

## PRELIMINARY FINDINGS

As stated above, these findings are very much tentative and emergent. It is equally important to note that these findings are interpretative. In other words, they assume the meanings the researchers attribute to them. They have been presented to reflect the order of their perceived emphasis – in this case, the frequency of their emergence in the reading of the different practitioners' reports in this area.

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| **Quality of Data** | **25.2** | • Comparability Challenges<br>• Continuity and how recent the information is – i.e. quality of data<br>• Data inconsistencies<br>• Insufficiency of ESG data<br>• Poor Conviction<br>• Quantification difficulties<br>• Sectoral Differences | "We are challenged by data inconsistencies, regional differences in policy focus, degrees of integration across the value chain, and diverse product portfolios across the companies in our ESG universe. We do not believe that sufficient quantifiable and comparable data exists to objectively measure several issues such as human rights, recruitment, training, local waste and water management and biodiversity." (GS Sustain, p.38)<br><br>"The current lack of data — and more specifically uniform data — makes impact measurement very difficult. One SRI professional said, "With the data presently available globally, it would be very difficult to do such an analysis because the data is different across the board."12 As such one can not make an "apples-to-apples" comparison about impact since each investment decision will be made on different available data." (BSR, 2008 p.9)<br><br>"Insufficient reporting of ESG data: Because there is not yet a standard for disclosure of ESG performance, it is difficult for investors to compare company performance on these issues. Companies can help reduce this<br>challenge by increasing disclosure and employing report standards such as the Global Reporting Initiative, which provide guidance on how organizations can disclose their sustainability performance" (BSR, 2008, p.15).<br><br>"SRI analysts and research/rating agencies use different questions and different |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | definitions when they are seeking broadly similar information." (Arthur D. Little, 2003, p.4) |
| **Trust** | **15.0** | • Credibility of Management<br>• Transparency | "In their mindsets and out of the approach they take, institutional investors are focused on long-term performance. They are not interested primarily in quarterly numbers, but rather in management integrity. They are not out for short-term, flash-in-the-pan gains. They expect thorough transparency when it comes to operational risks." (DVFA/EFFAS, 2008 p.5)<br><br>"The information, data, processes, and assigned competencies required for the preparation of ESG reports should be recorded, analyzed, documented, and disclosed in such a way that they would stand up to an internal and external audit or review. An independent audit by well- qualified third parties is a particularly good way to increase the assurance capability (i.e. perceived reliability) of the reported ESG-KPIs. This also serves to ensure the credibility and acceptance of ESG communication among the target groups. As a rule, external auditing carries the additional advantage that ESG reporting and ESG management can be improved based on the best practices referred to by the auditor." (DVFA/EFFAS, 2008 p.15)<br><br>"Companies that are open and honest in their environmental and social reporting are also likely to gain a reputation for being transparent and showing high quality management. Both of these factors are found to be important in analysts' and investors' assesments [sic] of companies." (Business in the Environment, 2001) |
| **Materiality** | **9.4** | • Weak Causality Dimension of ESG | "Although many mainstream financial institutions, such as ABN AMRO and Goldman Sachs, have begun considering the effects of including ESG criteria as part of their fundamental financial analysis, investors are waiting for vetted proof of long-term materiality before fully incorporating the criteria". (BSR 2008, p.3)<br><br>"The link (of ESG information) to other financial variables (share price performance, |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | valuation, profitability, growth) is much less pronounced, and only in a few cases do we have reason to believe that it goes beyond mere statistical coincidence" (WestLB 2007, p.1)<br><br>"…many investment professionals are not convinced that there is enough empirical evidence to say that consideration of ESG criteria will act as a better predictor of monetary success over time, but rather require several more years of history to make it a convincing case". (BSR, 2008, p.5)<br><br>"If a company is rated very highly based on its ESG criteria and its share price has gone up, you can't be sure the company's share price went up because of the ESG criteria or some other reason. Perhaps by observing the company and similar investments for an extended period of time the relationship may become more obvious; but presently, it isn't possible to do." - Phone interview with Alka Banerjee of Standard and Poor's (April 10, 2008) (BSR, 2008, p.9) |
| **Professional background and identity** | **8.4** | • Attitude of investors<br>• Perception gap between Analysts and Investors | "The attitude of investors is also cited by analysts, journalists and investors themselves as a barrier to the provision of high quality information. The implication is that if investors took these issues more seriously it would help draw more information out of companies. Some investors consider the provision of high quality environmental and social information as being part and parcel of their quality of management assessment. They might not be looking for this kind of information on its own but the provision of high quality reporting on these issues helps convey a rounded view of the quality of a company." (Business in the Environment, 2001, p.3)<br><br>"Analysts need to recognise that there is a major perception gap between their thinking on the issues and that of their institutional investor clients: a fifth of investors cited environmental and social issues as key non-financial factors when assessing companies, yet only 9% of analysts considered these issues important….<br><br>…Investor relations managers are the group most likely to mention environmental |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | and social issues amongst the non-financial factors they might use when assessing companies. They are also far more positive on these issues when asked directly about their relative importance…. The trend of investor relations managers attaching more importance than other groups to environmental and social factors becomes more evident when respondents are asked which non-financial factors they take into account. Thirty per cent of investor relations officers cite environmental and social issues in their answers, followed by 23% of journalists, 20% of investors but only 9% of analysts.” (Business in the Environment, 2001, p.1)<br><br>“Throughout the results of the survey, sell-side analysts are consistently behind the curve of wider City opinion on these issues and, most significantly for the analysts, behind the views of their institutional investor clients in terms of the importance they attach to environmental and social information.” (Business in the Environment, 2001, p.10) |
| **Inadequate management systems** | **7.9** | • Investors' reward and evaluation criteria<br>• Lack of objective identification and prioritisation process<br>• Need for centralised ESG function in firms | “…presently there is not a standardized approach to integrating ESG criteria into mainstream investing practices. It seems that companies are taking on varying levels of integration”. (BSR, 2008, p.6)<br><br>“Although many companies are establishing protocols for assessing ESG criteria, they are not fully integrated into their routine evaluation processes. Instead, mainstream investors are still waiting for proof of their long-term materiality.” (BSR, 2008, p.5)<br><br>“One argument advanced by several fund managers was that they had no need for a dedicated ESG team, since ESG issues were routinely integrated into the work of their entire investment management workforce. However, the survey found no evidence that this approach was proving effective, as in most cases the lack of a central ESG team meant that there was no data accessible to this survey. It may be that these fund managers have indeed succeeded in fully integrating ESG issues into their investment decisions; however, with no centralised monitoring or logging of |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | ESG engagement, proof of effective engagement and consequently reduced portfolio risk will be difficult to demonstrate. Furthermore, without a central policy the fund manager will struggle to convey a coherent message on ESG to the companies it invests in, with one fund manager perhaps voicing concerns on an issue, while another working for the same company pursues a potentially conflicting strategy." (FairPensions, 2007, p.8) |
| **Mindset and Education** | **7.6** | • Shortage of investment professionals with appropriate competence<br>• System and behavioural rigidity | "The taking into account of environmental, social and governance (ESG) considerations does not yet form part of mainstream investment decision making. But things have started to change – not least because of the issue of global warming" (WestLB, 2007, p.1)<br><br>"Combating cynicism is a fundamental barrier for ESG criteria to gain mainstream acceptance. In order for investors to fully accept ESG criteria, all the previously stated barriers have to be overcome. In addition, investors will need a different mindset. According to Anthony Ling and Sarah Forrest in the Working Capital Report, "Pigeonholing ESG issues will kill them. They must be embraced as mainstream – that is how we can make a real and lasting difference" (UNEP FI, GC, 2007). However, in order to do this, investors will need to be open to the idea that the inclusion of ESG criteria may help lead to future value creation." (BSR, 2008, p.15)<br><br>Lack of capacity among investment professionals: Investors trained in financial analysis are not fully equipped to evaluate ESG criteria. To overcome this challenge, several investment companies have begun training their investment professionals on ESG criteria, some financial institutions have hired specialists to work solely on these issues, and some educational institutions have begun incorporating ESG issues into MBA and CFA programs (BSR, 2008, p.16).<br><br>"Education also seemed to affect professional investor decision-making: those professional investors with more accounting courses were more likely to take |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | account of non-financial information in their decision-making; those investors with more finance courses were significantly less likely to use the same information." (BC, 2008, p.11) |
| **Government Intervention** | **6.4** | • Lack of government clarity<br>• Regional differences in policy focus | "Without clear regulations or effective auditing systems governing non-financial reporting, the credibility of voluntary corporate disclosures may be called into question." (BC, 2008, p.4)<br><br>"Financial research was greatly aided by clear government positions with respect to environmental, social and corporate governance issues. In some cases analysts were not able to provide in-depth reports due to a lack of certainty regarding government policy." (UNEPFI, 2004, p.4)<br><br>Report that says China has overtaken the UK in terms of investment in green technologies |
| **Short vs Long Termism** | **6.4** | | Materiality of "extra-financial" factors do not necessarily support short-term performances (i.e. they are usually long-term focussed) (WestLB, 2007, p.7)<br><br>"…many investment professionals are not convinced that there is enough empirical evidence to say that consideration of ESG criteria will act as a better predictor of monetary success over time, but rather require several more years of history to make it a convincing case". (BSR, 2008, p.5)<br><br>Short-termism vs. long-termism - shareholder demands for strong short-term financial performance compete with ESG investments that are longer term by nature (BSR, 2008, p.10)<br><br>"There are several barriers to successfully incorporating ESG criteria into mainstream investing and achieving the intended impacts. These barriers include… The lack of long-term empirical evidence linking ESG criteria to financial returns" |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | (BSR, 2008, p.10)<br><br>“Disparity between short-term pressure and long-term investments: Shareholder demands for strong short-term financial performance often compete with ESG investments, which are longer term by nature. Companies need to understand the long-term payoff, and investors need to be open to rewarding companies who invest for the long run”. (BSR, 2008, p.15) |
| **Communication** | **5.6** | • Lack of mechanisms for direct engagement and dialogue<br>• Language of ESG | “According to Dr Raj Thamotheram, Director of Responsible Investment, AXA Investment Managers: “Clients and mainstream colleagues don't have any difficulty understanding ethical screening or playing a particular theme like clean tech. Such consensus enables appropriate fund manager comparison and encourages them to remain faithful to their processes. But having found 16 different phrases to describe the kind of sustainability data that managers say they are now integrating into their mainstream analysis, it’s hardly surprising people are confused and that integration is not moving as quickly as it could! If we want mainstreaming to accelerate going forwards, finding one or two consensus terms that embody what integration is about would be a very good move." (AXA, 2008, p.2) |
| **Others** | **2.8** | • Politicisation of ESG Risks<br>• Pricing system failure | “Organisations that conduct questionnaire surveys are not clear enough about whose interests they serve, or what they will do with the information they receive. Their analysis is often seen by companies as naive.” (Arthur D. Little, 2003, p.4)<br><br>One reason why analysts, traders, and portfolio managers reject extra-financial information is that it “…has been defined exogenously. It is the result of a multi-stakeholder dialogue that is now being imposed on the closed ‘capital market’ system. Ultimately, incumbents fear that the objective of ESG is to change this system, and so their opposition should come as no surprise. It must, therefore, be made clear in each case what objectives are being pursued and what the underlying motives are” (WestLB, 2007, p.5) |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| **Inadequate academic research support** | **2.5** | • Asking the right questions | "…most research focuses on the overall relationship between social performance and financial performance, rather than on the tools that can be used to value sustainability activities. Academics also tend to examine accounting and market measures, analysts' perceptions, and cash flows to evaluate firm performance, rather than variables that would be more meaningful to managers, such as debt costs, employee relations, and innovative culture." (Research Network for Business Sustainability, 2008, p.6)<br><br>"While many researchers and managers are concerned with the environmental financial performance link, little is known about which causes which. Interestingly, Klassen believes that the cause-effect question of which causes which is not nearly as important as asking why such a relationship exists. The lack of such understanding has resulted in external investors not being able to see what underlies decisions made by firms. According to Klassen, "Once why is understood well enough, then a good decision can be distinguished from a bad one."…. (Research Network for Business Sustainability, 2008, p.13) |
| **Continuing expansion of CR agenda** | **2.0** | • Inadequacy of CR reports<br>• Information Overload<br>o Limited time and resources | "Despite corporate social responsibility/sustainability reports published by many companies, there is no uniformity in the information being reported. In situations where no information is reported, the only way to evaluate the company would be to assess its public practices and policies even though these do not always equate to performance. In contrast to annual reports, which contain very specific and consistent data for all public companies, these reports are not required and there is no specific format or required data to be disclosed." (BSR, 2008, p.11)<br><br>"Investors are reluctant to highlight areas in which they receive too much information. However, approximately 30% of investors do believe that there is too much focus on Socially Responsible Investing and Corporate Social Responsibility" (KPMG: Financial Reporting: KPMG's Survey of Leading Investors, 2007, p.2) |
| **Financial Reputation** | **0.8** | | "… financial reputation is primarily about building trust with, and demonstrating |

| Challenges | Emphasis (Frequency %) | Thematic summaries | Some Sample Quotes (In Vivo) |
|---|---|---|---|
| | | | competence to investors. When we asked investors about the companies they admire they frequently mention characteristics such as high degree of visibility, consistency, longevity, honesty and financial strength" (Ernst & Young, 2007, p.4)<br><br>Financial reputation and performance boil down "…to whether investors believe what they are being told – they judge this through their both quantitative and qualitative analysis but qualitative metrics predominate. Therefore the credibility of management, how they communicate and the quality of financial reporting are all paramount" (Ernst & Young, 2007, p.3)<br><br>"Financial reputation is essentially about trust. The underlying question which needs to be clearly answered in the mind of the investor is whether they believe in management, their strategy and their ability to deliver" (Ernst & Young, 2007, p.4) |

## CONCLUSION

This is still very much work in progress. The findings presented above are tentative and preliminary. Some of the challenges highlighted by financial market actors include lack of reliable and appropriate metrics/tools to adequately measure ESG factors, which makes comparability of firms along these lines difficult and tricky. Companies who are motivated to include ESG factors in the way they run their businesses, on the other hand, struggle with communicating this to the market in a way that enables them to gain competitive advantages from such activities. The emergent sustainability and corporate social responsibility reports, unfortunately, do not generate the level of confidence to persuade investors to take them seriously. This leaves both investors and companies in an information asymmetry dilemma. However, the different challenges highlighted above need not be seen in isolation. They are often interwoven and recursive. For example, it is possible to find a strong link between financial reputation, and trust, on one hand, and data quality and materiality, on the other.

Despite the dilemma and challenges presented by the highlighted factors, some members of the investment community, as well as, companies have become signatories to voluntary schemes aimed at developing good practices to minimise information asymmetry in this field. Examples of such schemes include the United Nations Principles of Responsible Investments (UNPRI), United Nations Environmental Programme Finance Initiative (UNEP FI), UN Global Compact and the IFC Equator Principles, amongst others. There are also emergent third party indices such as the Goldman Sachs Sustain Index, Dow Jones Sustainability Index, FTSE4Good Index, et cetera. These voluntary schemes and third party indices exert some practice pressures on firms that subscribe to them, at least to show/report that they are making some progress in integrating ESG factors in the way their businesses are run. In this regard, it often requires a new paradigm that recognises profit, not in isolation, but also only when it contributes to sustainability.

## Annexe 1: Meta-analysis list of documents

| | Document | Source | Year | Pages | Group |
|---|---|---|---|---|---|
| 1. | The Drivers of Financial Reputation – Investors' views on the meaning and importance of financial reputation | Ernst & Young | 2007 | 16 | Accounting firm |
| 2. | Cleantech Matters – Financing, Partnerships, Policy and Growth: Insights from the Cleantech Symposium | Ernst & Young | 2008 | 44 | Accounting firm |
| 3. | Climate changes your business | KPMG | 2008 | 76 | Accounting firm |
| 4. | Corporate governance | Ernst & Young | 2005 | 5 | Accounting firm |
| 5. | Board members on risk. Leveraging frameworks for the future | Ernst & Young | 2006 | 28 | Accounting firm |
| 6. | Investors on risk. The need for transparency | Ernst & Young | 2006 | 20 | Accounting firm |
| 7. | Sustainability reporting. A guide | KPMG | 2008 | 36 | Accounting firm |
| 8. | International survey of corporate responsibility reporting | KPMG | 2005 | 55 | Accounting firm |
| 9. | Count me in: The readers' take on sustainability reporting | KPMG/SustainAbility | 2008 | 44 | Accounting firm/Think Tank |
| 10. | Green for go: supply chain sustainability | Ernst & Young | 2008 | 12 | Accounting firm |
| 11. | Climate change business leaders survey II | KPMG | 2008 | 6 | Accounting firm |
| 12. | In the dark. What boards and executives don't know about the health of their businesses | Deloitte | 2004 | 56 | Accounting firm |
| 13. | Managing risk: stakeholder perspectives | Ernst & Young | 2006 | 32 | Accounting firm |
| 14. | Companies on risk: the benefits of alignment | Ernst & Young | 2006 | 28 | Accounting firm |
| 15. | Financial reporting: KPMG's survey of leading investors | KPMG | 2007 | 11 | Accounting firm |
| 16. | Shaping the new rules of competition: UN Global Compact participant mirror | McKinsey & Co | 2007 | 36 | Consulting firm |
| 17. | Best practice in risk management: a function comes of age | The Economist | 2007 | 24 | Think tank |
| 18. | A measure of progress: guidelines on measuring environmental performance | Business in the Community | 2001 | 63 | Business Coalitions |
| 19. | Investing in the future: city attitudes to environmental and social issues | Business in the Community | 2001 | 47 | Business Coalitions |
| 20. | Winning with integrity | Business in the Community | 2000 | 20 | Business Coalitions |
| 21. | Indicators that count: social and environmental indicators – a model for reporting impact | Business in the Community | 2003 | 12 | Business Coalitions |

| | Document | Source | Year | Pages | Group |
|---|---|---|---|---|---|
| 22. | Measuring eco-efficiency: a guide to reporting company performance | World Business Council for Sustainable Development | 2000 | 38 | Business Coalitions |
| 23. | GS Sustain | Goldman Sachs | 2007 | 179 | Investment Bank |
| 24. | Introducing GS Sustain | Goldman Sachs | 2007 | 22 | Investment Bank |
| 25. | Affordable healthcare; generic drugs raise quality of life | Merrill Lynch | 2008 | 33 | Investment Bank |
| 26. | What really counts – the materiality of extra-financial factors | WestLB | 2007 | 42 | Investment Bank |
| 27. | Key performance indicators for environmental, social and governance issues | DVFA | 2008 | 43 | Investor Association |
| 28. | Use of extra-financial information by research analysts and investment managers | European Centre for Corporate Engagement | 2007 | 39 | Investor Association |
| 29. | Enhanced analytics for a new generation of investor | USS | 2006 | 43 | Investor Association |
| 30. | Valuing ESG issues – a survey of investors | EIRIS | 2007 | 6 | Investor Association |
| 31. | PRI Report on Progress | UNPRI | 2008 | 52 | Multinational Institutions |
| 32. | Building responsible property portfolio | UNPRI/UNEPFI | | 16 | Multinational Institutions |
| 33. | Demystifying responsible investment performance – A review of key academic and broker research on ESG factors | UNEPFI/Mercer | 2007 | 82 | Multinational Institutions/ Think Tank |
| 34. | A legal framework for the integration of environment, social and governance issues into institutional investment | UNPFI | 2005 | 154 | Multinational Institutions |
| 35. | PRI Progress Report | UNPRI | 2007 | 40 | Multinational Institutions |
| 36. | Responsible investment in focus: how leading public pension funds are meeting the challenge | UNPFI | 2007 | 85 | Multinational Institutions |
| 37. | Sustainability management and reporting: benefits for financial institutions in developing and emerging economies | UNPFI | 2006 | 32 | Multinational institutions |
| 38. | Unlocking value: the scope for environmental, social and governance issues in private banking | UNPFI | 2007 | 26 | Multinational Institutions |
| 39. | "Who cares wins": One year on – A review of the integration of environmental, social and governance value drivers in asset management, financial research and investment processes | IFC | 2006 | 27 | Multinational Institutions |
| 40. | Who cares wins – connecting financial markets to a changing world | The Global Compact | 2005 | 58 | Multinational Institutions |
| 41. | The working capital report | UNPFI | 2007 | 56 | Multinational Institutions |
| 42. | Perspectives – Generation lost: young financial analysts and | UNPFI | 2004 | 6 | Multinational Institutions |

| | Document | Source | Year | Pages | Group |
|---|---|---|---|---|---|
| | environmental, social and governance issues | | | | |
| 43. | Beyond Risk | IFC | | 51 | Multinational Institutions |
| 44. | CEO Briefing – the materiality of social, environmental and corporate governance issues to equity pricing | UNPFI | | 6 | Multinational institutions |
| 45. | Banking on sustainability – financing environmental and social opportunities in emerging markets | IFC | 2007 | 92 | Multinational Institutions |
| 46. | Integrating sustainability value into the capital markets – workshop outcomes | UNEPFI/WBCSD | 2008 | 3 | Multinational Institutions/ Business Coalitions |
| 47. | The promise of private equity – environment, society, and corporate governance – new criteria for success in private equity investments | IFC | 2008 | 45 | Multinational institutions |
| 48. | Show me the money: linking environmental, social and governance issues to company value | UNEPFI | 2006 | 60 | Multinational institutions |
| 49. | The state of responsible investment in South Africa | UNEPFI | | 69 | Multinational institutions |
| 50. | Communicating ESG value drivers at the company-investor interface – who cares wins annual event 2006 | IFC | 2006 | 39 | Multinational institutions |
| 51. | New frontiers in emerging markets investments – who cares wins event | IFC | 2007 | 31 | Multinational institutions |
| 52. | Investing for long term value – a state of the art assessment | IFC | 2005 | 32 | Multinational institutions |
| 53. | Valuation pilot workshop outcomes | UNEPFI/WBCSD | 2008 | 6 | Multinational institutions/ WBCSD |
| 54. | The materiality of social, environmental and corporate governance issues to equity pricing | UNEPFI | 2004 | 54 | Multinational Institutions |
| 55. | Sustainability reporting guidelines | GRI | 2006 | 45 | |
| 56. | Breaking the short-term cycle – discussion and recommendations on how corporate leaders, asset managers, investors, and analysts can refocus on long-term value | CFA | 2006 | 24 | Think tank |
| 57. | Pursuit of alpha: the current use of ESG in investment decision-making | GRI | 2007 | 3 | Multinational institutions |
| 58. | Mainstreaming responsible investment | World Economic Forum | 2005 | 62 | Business Coalitions |
| 59. | Carbon counts – the trucost carbon footprint ranking of UK investment funds | Trucost | 2007 | 24 | Think tank |
| 60. | Carbon disclosure project report | Carbon disclosure project | 2007 | 173 | Think tank |
| 61. | Carbon disclosure project report | Carbon disclosure project | 2005 | 154 | Think tank |

| | Document | Source | Year | Pages | Group |
|---|---|---|---|---|---|
| 62. | Environmental disclosures – the second major review of environmental reporting in the Annual Reports & Accounts of the FTSE All-Share | Environment Agency | 2007 | 62 | Government |
| 63. | Carbon disclosure project report | Carbon disclosure project | 2006 | 147 | Think tank |
| 64. | Carbon disclosure project report | Carbon disclosure project | 2003 | 76 | Think tank |
| 65. | Carbon disclosure project report | Carbon disclosure project | 2004 | 108 | Think tank |
| 66. | Responsible trustee best practice guide | Fairpension | | 4 | Think tank |
| 67. | The use of non-financial information: what do retail investors want? | Boston College | 2007 | 16 | Think tank |
| 68. | The use of non-financial information: what do investment professionals want? | Boston College | 2007 | 16 | Think tank |
| 69. | Fund management transparency and engagement on environmental, social and governance issues | Fairpensions | 2007 | 15 | Think tank |
| 70. | The pressure to measure – the new ways to measure intangibles | Business intelligence | 2003 | 54 | Think tank |
| 71. | Speaking the same language – improving communications between companies and investors on corporate responsibility | Arthur D. Little | 2003 | 16 | Think tank |
| 72. | UK pension scheme transparency survey on environmental, social and governance issues | Fairpensions | 2007 | 55 | Think tank |
| 73. | Long-term value creation: guiding principles for corporations and investors | The Aspen Institute | 2007 | 5 | Think tank |
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